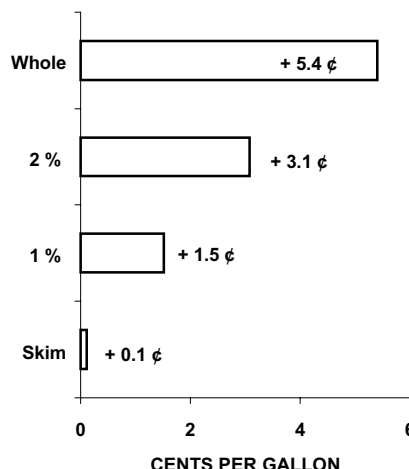


MILK PRICING NEWSLETTER

Dairy Marketing Branch, CDFA

February 2001

MARCH PRICE INCREASES



ANNOUNCEMENT OF MINIMUM FARM PRICES FOR MILK FOR MARCH 2001

This month whole milk prices increased 5.4 cents per gallon. The increase was a result of an increase in the price of butter. The other commodities used in the price calculation (cheese and nonfat dry milk) did not change enough to have any measurable impact. Thus, because they have lower butter fat contents, other fluid products increased by lesser amounts, with skim milk only increasing 0.1 cent per gallon.

Minimum Farm Prices for Various Fluid Milks by Container Size for March 2001

	gallon	1/2 gallon	quart	pint	1/3 quart	1/2 pint
<u>Northern California</u>						
Whole Milk	\$1.241	\$0.620	\$0.310	\$0.155	\$0.103	\$0.078
Reduced Fat (2%)	\$1.153	\$0.576	\$0.288	\$0.144	\$0.096	\$0.072
Lowfat (1%)	\$1.104	\$0.552	\$0.276	\$0.138	\$0.092	\$0.069
Nonfat (Skim)	\$0.844	\$0.422	\$0.211	\$0.106	\$0.070	\$0.053

Southern California

	gallon	1/2 gallon	quart	pint	1/3 quart	1/2 pint
Whole Milk	\$1.264	\$0.632	\$0.316	\$0.158	\$0.105	\$0.079
Reduced Fat (2%)	\$1.177	\$0.588	\$0.294	\$0.147	\$0.098	\$0.074
Lowfat (1%)	\$1.128	\$0.554	\$0.282	\$0.141	\$0.094	\$0.070
Nonfat (Skim)	\$0.869	\$0.434	\$0.217	\$0.109	\$0.072	\$0.054

Price Decreases from February 2001 Pricing Period

	gallon	1/2 gallon	quart	pint	1/3 quart	1/2 pint
Whole Milk	\$0.054	\$0.027	\$0.014	\$0.007	\$0.005	\$0.003
Reduced Fat (2%)	\$0.031	\$0.015	\$0.008	\$0.004	\$0.003	\$0.002
Lowfat (1%)	\$0.015	\$0.008	\$0.004	\$0.002	\$0.001	\$0.001
Nonfat (Skim)	\$0.001	\$0.001	\$0.000	\$0.000	\$0.000	\$0.000

California Department of Food and Agriculture

William (Bill) Lyons Jr., Secretary

Robert "Tad" Bell, Deputy Secretary

Chris M. Wagaman, Deputy Secretary

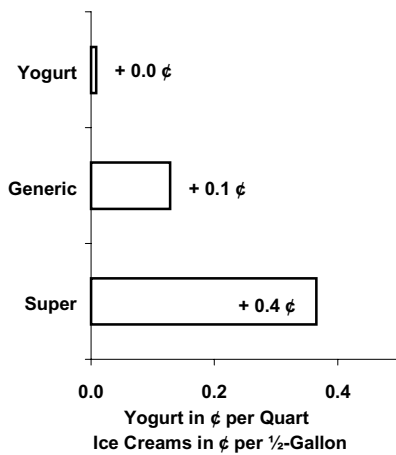
Daniel E. Webb, Deputy Secretary

Vanessa Arellano, Assistant Secretary

Phone (916) 654-1456; Homepage Address: www.cdffa.ca.gov/dairy

Minimum Farm Prices for the Milk Component in Manufactured Dairy Products

FEB.-MAR. PRICE INCREASES



1/ Southern California yogurt and ice cream milk product prices may be up to 1 cent more.

2/ Yogurt and ice cream prices change every second month.

California Milk Component Farm Prices^{1/}

	Lowfat yogurt (\$/quart)	Super-premium ice cream (\$/1/2 gal)	Generic ice cream (\$/1/2 gal)	Butter grade AA (\$/lb)	Cheese (\$/lb)
September	\$0.23	\$1.30	\$0.51	\$1.04	\$1.13
October	\$0.23	\$1.27	\$0.50	\$1.01	\$0.90
November	\$0.23	\$1.27	\$0.50	\$1.40	\$0.85
December	\$0.23	\$1.39	\$0.54	\$1.34	\$0.93
January	\$0.23	\$1.39	\$0.54	\$1.21	\$1.10
February	\$0.23	\$1.39	\$0.54	—	—

Price Change from the Prior Pricing Period^{2/}

September	—	—	—	\$0.00	\$0.08
October	\$0.00	\$0.03-	\$0.01-	\$0.03-	\$0.23-
November	—	—	—	\$0.39	\$0.05-
December	\$0.00	\$0.12	\$0.04	\$0.06-	\$0.08
January	—	—	—	\$0.13-	\$0.17
February	\$0.00	\$0.00	\$0.00	—	—

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